

MAUI LAND & PINEAPPLE CO INC
Form 10-Q
August 09, 2018

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended June 30, 2018

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934**

Commission file number 001-06510

MAUI LAND & PINEAPPLE COMPANY, INC.

(Exact name of registrant as specified in its charter)

HAWAII **99-0107542**
(State or other jurisdiction (IRS Employer
of incorporation or organization) Identification No.)

200 Village Road, Lahaina, Maui, Hawaii 96761

(Address of principal executive offices)

Registrant's telephone number, including area code: **(808) 877-3351**

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Smaller reporting company

Non-accelerated filer

 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 15, 2018
Common Stock, no par value	19,193,507 shares

Table of Contents

MAUI LAND & PINEAPPLE COMPANY, INC.

AND SUBSIDIARIES

TABLE OF CONTENTS

<u>PART I. FINANCIAL INFORMATION</u>	3
<u>Item 1. Financial Statements (unaudited)</u>	3
<u>Condensed Consolidated Balance Sheets, June 30, 2018 and December 31, 2017</u>	3
<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), Three Months Ended June 30, 2018 and 2017</u>	4
<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), Six Months Ended June 30, 2018 and 2017</u>	5
<u>Condensed Consolidated Statements of Stockholders' Equity, Six Months Ended June 30, 2018 and 2017</u>	6
<u>Condensed Consolidated Statements of Cash Flows, Six Months Ended June 30, 2018 and 2017</u>	7
<u>Notes to Condensed Consolidated Financial Statements</u>	8
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	14
<u>Forward-Looking Statements and Risks</u>	19
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	19
<u>Item 4. Controls and Procedures</u>	19
<u>PART II. OTHER INFORMATION</u>	19
<u>Item 1A. Risk Factors</u>	19
<u>Item 6. Exhibits</u>	20
<u>Signature</u>	21
<u>EXHIBIT INDEX</u>	22
Exhibit 31.1	

Exhibit 31.2

Exhibit 32.1

Exhibit 32.2

Exhibit 101

2

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(UNAUDITED)**

	June 30, 2018	December 31, 2017
	(in thousands except share data)	
ASSETS		
CURRENT ASSETS		
Cash	\$1,156	\$ 1,029
Accounts receivable, less allowance of \$33 and \$40 for doubtful accounts	923	940
Prepaid expenses and other assets	153	159
Assets held for sale	212	212
Total current assets	2,444	2,340
PROPERTY	65,664	65,650
Accumulated depreciation	(35,856)	(34,971)
Net property	29,808	30,679
OTHER ASSETS		
Deferred development costs	10,623	10,395
Other noncurrent assets	1,316	1,387
Total other assets	11,939	11,782
TOTAL ASSETS	\$44,191	\$ 44,801

LIABILITIES & STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$718	\$696
Payroll and employee benefits	518	784
Current portion of accrued retirement benefits	169	164
Deferred revenue	359	24
Other current liabilities	315	179
Total current liabilities	2,079	1,847

LONG-TERM LIABILITIES

Long-term debt	1,235	1,235
Accrued retirement benefits	7,685	7,867
Deposits	2,448	2,449
Deferred revenue	64	215
Other noncurrent liabilities	54	44
Total long-term liabilities	11,486	11,810

COMMITMENTS AND CONTINGENCIES (Note 11)

STOCKHOLDERS' EQUITY

Common stock--no par value, 43,000,000 shares authorized, 19,102,775 and 19,040,273 shares issued and outstanding	79,230	78,584
Additional paid in capital	9,246	9,246
Accumulated deficit	(37,966)	(36,432)
Accumulated other comprehensive loss	(19,884)	(20,254)
Total stockholders' equity	30,626	31,144
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$44,191	\$44,801

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(LOSS)****(UNAUDITED)**

	Three Months Ended June 30, 2018 2017 (in thousands except per share amounts)	
OPERATING REVENUES		
Real estate	\$ 300	\$ 6,852
Leasing	1,558	1,370
Utilities	810	829
Resort amenities and other	292	285
Total operating revenues	2,960	9,336
OPERATING COSTS AND EXPENSES		
Real estate	443	152
Leasing	706	587
Utilities	520	426
Resort amenities and other	231	213
General and administrative	725	586
Share-based compensation	320	253
Depreciation	446	417
Total operating costs and expenses	3,391	2,634
OPERATING INCOME (LOSS)	(431)	6,702
Pension and other postretirement expenses	(102)	(202)
Interest expense	(37)	(19)
NET INCOME (LOSS)	\$(570)	\$6,481
Pension, net of income taxes of \$0	185	204
COMPREHENSIVE INCOME (LOSS)	\$(385)	\$6,685
NET INCOME (LOSS) PER COMMON SHARE --BASIC AND DILUTED	\$(0.03)	\$0.34

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(LOSS)****(UNAUDITED)**

	Six Months Ended June 30, 2018 2017 (in thousands except per share amounts)	
OPERATING REVENUES		
Real estate	\$336	\$13,991
Leasing	3,053	2,956
Utilities	1,514	1,505
Resort amenities and other	599	567
Total operating revenues	5,502	19,019
OPERATING COSTS AND EXPENSES		
Real estate	509	888
Leasing	1,284	1,056
Utilities	1,041	979
Resort amenities and other	584	546
General and administrative	1,556	1,075
Share-based compensation	899	812
Depreciation	885	833
Total operating costs and expenses	6,758	6,189
OPERATING INCOME (LOSS)	(1,256)	12,830
Pension and other postretirement expenses	(204)	(404)
Interest expense	(74)	(113)
NET INCOME (LOSS)	\$(1,534)	\$12,313
Pension, net of income taxes of \$0	370	408
COMPREHENSIVE INCOME (LOSS)	\$(1,164)	\$12,721
NET INCOME (LOSS) PER COMMON SHARE --BASIC & DILUTED	\$(0.08)	\$0.65

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY****(UNAUDITED)****For the Six Months Ended June 30, 2018 and 2017****(in thousands)**

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balance, January 1, 2018	19,040	\$ 78,584	\$ 9,246	\$ (36,432)	\$ (20,254)	\$ 31,144
Share-based compensation	71	845	268			1,113
Vested restricted stock issued	31	268	(268)			-
Shares cancelled to pay tax liability	(39)	(467)				(467)
Other comprehensive income - pension					370	370
Net loss				(1,534)		(1,534)
Balance, June 30, 2018	19,103	\$ 79,230	\$ 9,246	\$ (37,966)	\$ (19,884)	\$ 30,626
Balance, January 1, 2017	18,958	\$ 78,123	\$ 9,246	\$ (47,332)	\$ (22,295)	\$ 17,742
Share-based compensation	94	767	207			974
Vested restricted stock issued	29	207	(207)			-
Shares cancelled to pay tax liability	(59)	(568)				(568)
Other comprehensive income - pension					408	408
Net income				12,313		12,313
Balance, June 30, 2017	19,022	\$ 78,529	\$ 9,246	\$ (35,019)	\$ (21,887)	\$ 30,869

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)**

	Six Months Ended June 30, 2018 2017 (in thousands)	
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$805	\$7,611
INVESTING ACTIVITIES		
Payments of deferred development costs	(211)	(1,430)
NET CASH USED IN INVESTING ACTIVITIES	(211)	(1,430)
FINANCING ACTIVITIES		
Payments of long-term debt	-	(5,622)
Debt and common stock issuance costs and other	(467)	(594)
NET CASH USED IN FINANCING ACTIVITIES	(467)	(6,216)
NET INCREASE (DECREASE) IN CASH	127	(35)
CASH AT BEGINNING OF PERIOD	1,029	602
CASH AT END OF PERIOD	\$1,156	\$567
Cash paid during the period:		
Interest	\$67	\$65
Income Taxes	\$-	\$405

SUPPLEMENTAL NON-CASH ACTIVITIES:

Common stock issued to certain members of the Company's management totaled \$845,000 and \$767,000 for the six months ended June 30, 2018 and 2017, respectively.

See Notes to Condensed Consolidated Financial Statements.

7

Table of Contents

MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying interim unaudited condensed consolidated financial statements have been prepared by Maui Land & Pineapple Company, Inc. (together with its subsidiaries, the “Company”) in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information that are consistent in all material respects with those applied in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and pursuant to the instructions to Form 10-Q and Article 10 promulgated by Regulation S-X of the Securities and Exchange Commission (SEC). Accordingly, they do not include all of the information and notes to financial statements required by GAAP for complete financial statements. In the opinion of management, the accompanying condensed consolidated financial statements contain all normal and recurring adjustments necessary to fairly present the Company’s financial position, results of operations and cash flows for the interim periods ended June 30, 2018 and 2017. The condensed consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Form 10-K for the fiscal year ended December 31, 2017.

2. USE OF ESTIMATES AND RECLASSIFICATIONS

The Company’s reports for interim periods utilize numerous estimates of general and administrative expenses and other costs for the full year. Future actual amounts may differ from these estimates. Amounts reflected in interim reports are not necessarily indicative of results for a full year. Certain amounts in the December 31, 2017 condensed consolidated balance sheet were reclassified to conform to the current period’s presentation. Such amounts had no impact on total assets and liabilities or net income and comprehensive income (loss) previously reported.

3. BASIC AND DILUTED SHARES

Basic and diluted weighted-average shares outstanding for the periods ended June 30, 2018 and 2017 were as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Basic and diluted	19,091,414	18,982,871	19,074,809	18,968,176
Potentially dilutive	27,500	27,500	27,500	27,500

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding. Diluted net income (loss) per common share is computed similar to basic net income (loss) per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares from share-based compensation arrangements had been issued.

Potentially dilutive shares arise from non-qualified stock options to purchase common stock. The treasury stock method is utilized to determine the number of potentially dilutive shares related to the outstanding non-qualified stock options.

Table of Contents**4. PROPERTY**

Property at June 30, 2018 and December 31, 2017 consisted of the following:

	June 30, 2018	December 31, 2017
	(in thousands)	
Land	\$5,059	\$ 5,059
Land improvements	24,727	24,727
Buildings	24,884	24,884
Machinery and equipment	10,994	10,980
Total property	65,664	65,650
Less accumulated depreciation	35,856	34,971
Net property	\$29,808	\$ 30,679

Land

Most of the Company's 22,800 acres of land were acquired between 1911 and 1932 and is carried in its balance sheets at cost. Approximately 20,700 acres of land are located in West Maui and comprise a largely contiguous parcel that extends from the sea to an elevation of approximately 5,700 feet. This parcel includes approximately 900 acres within the Kapalua Resort, a master-planned, destination resort and residential community located in West Maui encompassing approximately 3,000 acres. The Company's remaining 2,100 acres of land are located in Upcountry Maui in an area commonly known as Hali'imaile and are mainly comprised of leased agricultural fields, including related processing and maintenance facilities.

Land Improvements

Land improvements are comprised primarily of roads, utilities, and landscaping infrastructure improvements at the Kapalua Resort. Also included is the Company's potable and non-potable water systems in West Maui. The majority of the Company's land improvements were constructed and placed in service in the mid-to-late 1970's or conveyed in 2017. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

Buildings

Buildings are comprised of restaurant, retail and light industrial spaces located at the Kapalua Resort and Hali'imaile which are used in the Company's leasing operations. The majority of the buildings were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

5. ASSETS HELD FOR SALE AND REAL ESTATE OPERATING REVENUES

Assets held for sale at June 30, 2018 and December 31, 2017 consisted of the following:

	June 30, 2018 (in thousands)	December 31, 2017
Upcountry Maui, 630-acre parcel of agricultural land	\$ 156	\$ 156
Upcountry Maui, 80-acre parcel of agricultural land and wastewater treatment facility	56	56
Assets held for sale	\$ 212	\$ 212

None of the above assets held for sale have been pledged as collateral under the Company's credit facility.

Included in the Company's real estate operating revenues for the three months ended June 30, 2017 are approximately \$6.7 million of land improvements that were conveyed to the Company by the owner of a 125-acre portion of the Company's Kapalua Mauka project. The owner purchased the 125-acre property, commonly known as Mahana Estates, in 2009. As part of the sale, the owner agreed to subsequently develop and convey to the Company upon completion certain easements, subdivision and utility improvements related to the Mahana Estates property. The owner completed and conveyed the land improvements to the Company in April 2017.

Table of Contents

In February 2017, the Company sold the 15-acre Kapalua Golf Academy practice course located in the Kapalua Resort for \$7.0 million to the owner of the Kapalua Plantation and Bay Golf Courses. The property was sold without any development entitlements. The sale resulted in a gain of approximately \$6.4 million. The Company used \$5.6 million of the sale proceeds to pay down its long-term debt.

6. LONG-TERM DEBT

Long-term debt is comprised of amounts outstanding under the Company's \$15.0 million revolving line of credit facility with First Hawaiian Bank (Credit Facility). The Credit Facility matures on December 31, 2019 and provides for two optional one-year extension periods. Interest on borrowings is at LIBOR plus 3.50%, or 5.48% and 4.86% at June 30, 2018 and December 31, 2017, respectively. The Company has pledged its 800-acre Kapalua Mauka project and approximately 30,000 square feet of commercial leased space in the Kapalua Resort as security for the Credit Facility. Net proceeds from the sale of any collateral are required to be repaid toward outstanding borrowings and will permanently reduce the Credit Facility's revolving commitment amount. There are no commitment fees on the unused portion of the Credit Facility.

The terms of the Credit Facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include a minimum liquidity (as defined) of \$1.5 million, a maximum of \$45.0 million in total liabilities, and a limitation on new indebtedness.

The Company believes that it is in compliance with the covenants under the Credit Facility as of June 30, 2018.

7. SHARE-BASED COMPENSATION

The Company's directors, officers and certain members of management receive a portion of their compensation in shares of the Company's common stock granted under the Company's 2017 Equity and Incentive Award Plan (Equity Plan). Share-based compensation is valued based on the average of the high and low share price on the date of grant. Shares are issued upon execution of agreements reflecting the grantee's acceptance of the respective shares subject to the terms and conditions of the Equity Plan. Restricted shares issued under the Equity Plan vest quarterly and have voting and regular dividend rights but cannot be disposed of until such time as they are vested. All unvested restricted shares are forfeited upon the grantee's termination of directorship or employment from the Company.

Share-based compensation is determined and awarded annually to the Company's officers and certain members of management based on their achievement of certain predefined performance goals and objectives under the Equity Plan. Such share-based compensation is comprised of an annual incentive paid in shares of common stock and a long-term incentive paid in restricted shares vesting quarterly over a period of three years.

Share-based compensation totaled \$899,000 and \$812,000 for the six months ended June 30, 2018 and 2017, respectively. Included in these amounts were \$268,000 and \$207,000 of restricted shares of common stock which vested during the first six months of 2018 and 2017, respectively.

8. ACCRUED RETIREMENT BENEFITS

Accrued retirement benefits at June 30, 2018 and December 31, 2017 consisted of the following:

	June 30 2018	December 31, 2017
	(in thousands)	
Defined benefit pension plans	\$5,600	\$ 5,812
Non-qualified retirement plans	2,254	2,219
Total	7,854	8,031
Less current portion	(169)	(164)
Non-current portion of accrued retirement benefits	\$7,685	\$ 7,867

Table of Contents

The net periodic benefit costs for pension and postretirement benefits for the three and six months ended June 30, 2018 and 2017 were as follows:

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2017	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
Interest cost	\$495	\$560	\$990	\$1,120
Expected return on plan assets	(578)	(562)	(1,156)	(1,124)
Amortization of net loss	185	204	370	408
Pension and other postretirement expenses	\$102	\$202	\$204	\$404

9. INCOME TAXES

The Company uses a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company's effective tax rate for 2018 and 2017 reflects the recognition of expected federal alternative minimum tax liabilities and interim period tax benefits and changes to its tax valuation allowance. In 2017, the Company fully utilized the special alternative minimum tax net operating loss carryforward from 2008 which allows for 100% offset to the alternative minimum taxable income in subsequent years.

10. REPORTABLE OPERATING SEGMENTS

The Company's reportable operating segments are comprised of the discrete business units whose operating results are regularly reviewed by the Company's Chief Executive Officer – its chief decision maker – in assessing performance and determining the allocation of resources. Reportable operating segments are as follows:

Real Estate includes the development and sale of real estate inventory and the operations of Kapalua Realty Company, a general brokerage real estate company located within the Kapalua Resort.

Leasing primarily includes revenues and expenses from real property leasing activities, license fees and royalties for the use of certain of the Company's trademarks and brand names by third parties, and the cost of maintaining the

Company's real estate assets, including conservation activities.

Utilities primarily include the operations of Kapalua Water Company and Kapalua Waste Treatment Company, the Company's water and sewage transmission services (regulated by the Hawaii Public Utilities Commission) for the Kapalua Resort. The operating segment also includes the management of ditch, reservoir and well systems that provide non-potable irrigation water to West and Upcountry Maui areas.

Resort Amenities include a membership program that provides certain benefits and privileges within the Kapalua Resort for its members.

The Company's reportable operating segment results are measured based on operating income (loss), exclusive of interest, depreciation, general and administrative, share-based compensation, pension and other postretirement expenses.

Table of Contents

Reportable operating segment revenues and income for the three and six months ended June 30, 2018 and 2017 were as follows:

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
Operating Segment Revenues				
Real estate	\$300	\$6,852	\$336	\$13,991
Leasing	1,558	1,370	3,053	2,956
Utilities	810	829	1,514	1,505
Resort amenities and other	292	285	599	567
Total Operating Segment Revenues	\$2,960	\$9,336	\$5,502	\$19,019
Operating Segment Income (Loss)				
Real estate	\$(143)	\$6,700	\$(173)	\$13,103
Leasing	852	783	1,769	1,900
Utilities	290	403	473	526
Resort amenities and other	61	72	15	21
Total Operating Segment Income	\$1,060	\$7,958	\$2,084	\$15,550

11. COMMITMENTS AND CONTINGENCIES

There have been no changes in the status of commitments and contingencies as reported in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017. There are various other claims and legal actions pending against the Company. In the opinion of management, after consultation with legal counsel, the resolution of these other matters is not expected to have a material adverse effect on the Company's financial position or results of operations.

12. FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value and requires certain disclosures about fair value measurements to enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. GAAP requires that financial assets and liabilities be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Company considers all cash on hand to be unrestricted cash for the purposes of the consolidated balance sheets and consolidated statements of cash flows. The fair value of receivables and payables approximate their carrying value due to the short-term nature of the instruments. The valuation is based on settlements of similar financial instruments all of which are short-term in nature and are generally settled at or near cost. The fair value of debt was estimated based on borrowing rates currently available to the Company for debt with similar terms and maturities. The carrying amount of debt at June 30, 2018 and December 31, 2017 was \$1,235,000, which approximated fair value. The fair value of debt was measured using the level 2 inputs, noted above.

13. NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) on recognition of revenue arising from contracts with customers, as well as recognition of gains and losses from the transfer of nonfinancial assets in contracts with noncustomers, and subsequently, it issued additional guidance that further clarified the ASU. The revenue recognition ASU has implications for all revenues, excluding those that are under the specific scope of other accounting standards, such as revenue associated with leases (described below).

Table of Contents

The Company's revenues for the six months ended June 30, 2018, that were subject to the revenue recognition ASU were as follows (in thousands):

Real estate	\$336
Utilities	1,514
Resort amenities and other	599
Total	\$2,449

The core principle underlying the revenue recognition ASU is that an entity will recognize revenue to represent the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in such exchange. This requires entities to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. The Company's revenue streams are recognized at a point in time except for the utilities and resort amenities revenue. Utility services are recognized as provided over the monthly billing period, and the annual membership dues are recognized over a period of twelve months.

A customer is distinguished from a noncustomer by the nature of the goods or services that are transferred. Customers are provided with goods or services that are generated by a company's ordinary output activities, whereas noncustomers are provided with nonfinancial assets that are outside of a company's ordinary output activities. This distinction may not significantly change the pattern of income recognition but determines whether that income is classified as revenue (contracts with customers) or other gains/losses (contracts with noncustomers) in the Company's financial statements. The Company's revenue streams for the period were generated as ordinary output activities to customers as defined by the guidance and were properly classified as revenues.

The ASU requires the use of a new five-step model to recognize revenue from customer contracts. The five-step model requires that the Company (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation. The application of the five-step model to the revenue streams compared to the prior guidance did not result in significant changes in the way the Company records its real estate revenue, utilities revenue and resort amenities and other revenues.

An entity is also required to determine if it controls the goods or services prior to the transfer to the customer in order to determine if it should account for the arrangement as a principal or agent. Principal arrangements, where the entity controls the goods or services provided, will result in the recognition of the gross amount of consideration expected in the exchange. Agent arrangements, where the entity simply arranges but does not control the goods or services being transferred to the customer, will result in the recognition of the net amount the entity is entitled to retain in the exchange. The Company is currently evaluating the option to use a practical expedient to not separate lease and

non-lease components as shown in ASU No.2018-11 prior to adoption in 2019. Property services categorized as nonlease components that are reimbursed by the Company's tenants may need to be presented on a net basis if it is determined that the Company held an agent arrangement.

Upon adoption, entities can use either a full retrospective or modified retrospective method to adopt this ASU. Under the full retrospective method, all periods presented will be restated upon adoption to conform to the new standard and a cumulative adjustment for effects on periods prior to 2016 will be recorded to retained earnings as of January 1, 2016. Under the modified retrospective approach, prior periods are not restated to conform to the new standard. Instead, a cumulative adjustment for effects of applying the new standard to periods prior to 2018 is recorded to retained earnings as of January 1, 2018. Additionally, incremental footnote disclosures are required to present the 2018 revenues under the prior standard. Under the modified retrospective method, an entity may also elect to apply the standard to either (i) all contracts as of January 1, 2018, or (ii) only to contracts that are not completed as of January 1, 2018. The Company elected to adopt this guidance using the modified retrospective method at January 1, 2018 which did not result in an adjustment to retained earnings. Additionally, upon adoption, the Company evaluated its revenue recognition policy for all revenue streams within the scope of the ASU under previous standards and using the five-step model under the new guidance and confirmed that there were no differences in the pattern of revenue recognition.

In February 2016, FASB issued an ASU that sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a lease agreement (i.e., lessees and lessors). The ASU is further supplemented by ASU No. 2018-11 and effective for the Company no later than January 1, 2019, with early adoption permitted. The updated ASU provides the Company an option to use a practical expedient to not separate lease and non-lease components. This ASU will govern the recognition of revenue for lease components. Revenue related to nonlease components under the Company's lease agreements will be subject to the new revenue recognition standard effective upon adoption of the new lease accounting standard. The Company expects to adopt the new lease accounting standard on January 1, 2019.

Table of Contents

In August 2016, FASB issued ASU No. 2016-15, Statement of Cash Flows. This ASU aims to reduce the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2017. The adoption of this guidance did not have a material impact on the Company's financial statements.

In October 2016, FASB issued ASU No. 2016-16, Income Taxes. This ASU simplifies the recognition of intra-entity income tax consequences when an asset other than inventory is transferred. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2017. The adoption of this guidance did not have a material impact on the Company's financial statements.

In November 2016, FASB issued ASU No. 2016-18, Statement of Cash Flows-Restricted Cash. This ASU addresses the diversity in the classification and presentation of changes in restricted cash in the statement of cash flows. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2017. The adoption of this guidance did not have a material impact on the Company's financial statements.

In December 2016, FASB issued ASU No. 2016-20, Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers. This ASU summarizes the various amendments that serve to clarify the codification or to correct unintended application of guidance. This ASU is effective for public business entities for annual reporting periods beginning after December 15, 2017. The adoption of this guidance did not have a material impact on the Company's financial statements.

In March 2017, FASB issued ASU No. 2017-07, Compensation-Retirement Benefits. This ASU aims to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost by requiring the reporting of the service cost component in the same line item or items as other compensation costs arising from services rendered by employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations. This ASU is effective for public business entities for annual periods beginning after December 15, 2017. The adoption of this guidance did not have a material impact on the Company's financial statements.

In May 2017, the FASB issued ASU No. 2017-09, Compensation-Stock Compensation (Topic 718) Scope of Modification Accounting. This ASU clarifies which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. This ASU is effective for public business entities for interim and annual reporting periods beginning after December 15, 2017, with early adoption permitted. The adoption of this guidance did not have a material impact on the Company's financial statements.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2017 and the unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. Depending upon the context, the terms the “Company,” “we,” “our,” and “us,” refer to either Maui Land & Pineapple Company, Inc. alone, or to Maui Land & Pineapple Company, Inc. and its subsidiaries collectively.

Overview

Maui Land & Pineapple Company, Inc. is a Hawaii corporation and the successor to a business organized in 1909. The Company consists of a landholding and operating parent company, its principal subsidiary, Kapalua Land Company, Ltd. and certain other subsidiaries of the Company.

We own approximately 23,000 acres of land on the island of Maui, Hawaii and develop, sell, and manage residential, resort, commercial, agricultural and industrial real estate through the following business segments:

Real Estate—Our real estate operations consist of land planning and entitlement, development and sales activities. This segment also includes the operations of Kapalua Realty Company, Ltd., a general brokerage real estate company located in the Kapalua Resort.

Table of Contents

Leasing—Our leasing operations include residential, resort, commercial, agricultural and industrial land and property leases, licensing of the Company’s registered trademarks and trade names, and stewardship and conservation efforts.

Utilities—We own two publicly-regulated utility companies which provide potable and non-potable water and wastewater transmission services to the Kapalua Resort. In addition, we also own a network of several major non-potable water systems in West and Upcountry Maui.

- *Resort Amenities*—We manage the operations of the Kapalua Club, a private, non-equity club program providing our members special programs, access and other privileges at certain amenities at the Kapalua Resort.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of accounting estimates. Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the consolidated financial statements and thus actual results could differ from the amounts reported and disclosed herein. Our critical accounting policies that require the use of estimates and assumptions were discussed in detail in our most recently filed Form 10-K. On January 1, 2018, we adopted ASU No. 2017-07 Compensation-Retirement Benefits without material impact, as well as ASU No. 2014-09, Revenue Recognition using the modified retroactive approach which did not result in an adjustment to our retained earnings. There have been no significant changes in our critical accounting policies during the first six months of 2018, other than the adoption of ASU Nos. 2017-07 and 2014-09 on January 1, 2018.

RESULTS OF OPERATIONS

Three and Six Months Ended June 30, 2018 compared to Three and Six Months Ended June 30, 2017

CONSOLIDATED

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
<i>Operating revenues</i>	\$2,960	\$9,336	\$5,502	\$19,019

Edgar Filing: MAUI LAND & PINEAPPLE CO INC - Form 10-Q

<i>Operating costs and expenses</i>	(1,900)	(1,378)	(3,418)	(3,469)
<i>General and administrative</i>	(725)	(586)	(1,556)	(1,075)
<i>Share-based compensation</i>	(320)	(253)	(899)	(812)
<i>Depreciation</i>	(446)	(417)	(885)	(833)
<i>Pension and other postretirement expenses</i>	(102)	(202)	(204)	(404)
<i>Operating income (loss)</i>	(533)	6,500	(1,460)	12,426
<i>Interest expense</i>	(37)	(19)	(74)	(113)
<i>Net income (loss)</i>	\$(570)	\$6,481	\$(1,534)	\$12,313
<i>Net income (loss) per common share</i>	\$(0.03)	\$0.34	\$(0.08)	\$0.65

The decrease in operating revenues for the three and six months ended June 30, 2018 compared to the same periods in 2017 were due to the sale of the 15-acre Kapalua Golf Academy practice course in February 2017 and the conveyance of certain land improvements to us by the owner of a 125-acre portion of our Kapalua Mauka project in April 2017. The increase in general and administrative expenses for the three and six months ended June 30, 2018 compared to the three and six months ended June 30, 2017 was primarily due to higher legal and outside consultant fees.

Table of Contents

REAL ESTATE

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
<i>Operating revenues</i>	\$300	\$6,852	\$336	\$13,991
<i>Operating costs and expenses</i>	(443)	(152)	(509)	(888)
<i>Operating income (loss)</i>	\$(143)	\$6,700	\$(173)	\$13,103

Included in real estate operating revenues for the three and six months ended June 30, 2017 were approximately \$6.7 million of land improvements that were conveyed to us by the owner of a 125-acre portion of our Kapalua Mauka project. The owner purchased the 125-acre property, commonly known as Mahana Estates, in 2009. As part of the sale, the owner agreed to subsequently develop and convey to us upon completion certain easements, subdivision and utility improvements related to the Mahana Estates property. The owner completed and conveyed the land improvements to us in April 2017.

In February 2017, we sold the 15-acre Kapalua Golf Academy practice course located in the Kapalua Resort for \$7.0 million to the owner of the Kapalua Plantation and Bay Golf Courses. The property was sold without any development entitlements. The sale resulted in a gain of approximately \$6.4 million. The property was not pledged as collateral under our revolving line of credit facility. We applied \$5.6 million of the sale proceeds toward our revolving line of credit facility.

Also included in our real estate operating revenues were sales commissions totaling \$300,000 and \$171,000 for the three months ended June 30, 2018 and 2017, respectively, and \$336,000 and \$310,000 for the six months ended June 30, 2018 and 2017, respectively, from resales of properties owned by private residents in the Kapalua Resort and surrounding areas by our wholly-owned subsidiary, Kapalua Realty Company, Ltd.

We did not have any significant real estate development expenditures during the first six months of 2018 or 2017.

Real estate development and sales are cyclical and depend on a number of factors. Results for one period are therefore not necessarily indicative of future performance trends in this business segment.

LEASING

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
	2018	2017	2018	2017
	(in thousands)		(in thousands)	
<i>Operating revenues</i>	\$1,558	\$1,370	\$3,053	\$2,956
<i>Operating costs and expenses</i>	(706)	(587)	(1,284)	(1,056)
<i>Operating income</i>	\$852	\$783	\$1,769	\$1,900

The increase in operating revenues during the three months ended June 30, 2018 compared to the three months ended June 30, 2017 was primarily due to increases in our Kapalua Resort and Hali'imaile commercial property occupancies and improved renegotiated terms of several existing tenant leases. The increase in operating costs and expenses for the three and six months ended June 30, 2018 compared to the three and six months ended June 30, 2017 was due to higher repairs and maintenance costs

Our leasing operations face substantial competition from other property owners in Maui and Hawaii.

UTILITIES

	Three Months		Six Months	
	Ended June		Ended June 30,	
	30,	2017	2018	2017
	(in thousands)		(in thousands)	
<i>Operating revenues</i>	\$810	\$829	\$1,514	\$1,505
<i>Operating costs and expenses</i>	(520)	(426)	(1,041)	(979)
<i>Operating income</i>	\$290	\$403	\$473	\$526

Table of Contents

We have contracted a third-party water engineering and management company to manage the operations of our wholly-owned subsidiaries: Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. We have contracted a water maintenance company to manage our non-potable/irrigation water systems in West and Upcountry Maui.

Our Utilities segment operations are primarily affected by the amount of rainfall and the level of development and volume of visitors in the Kapalua Resort. Rates charged by our Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. subsidiaries are regulated by the Hawaii Public Utilities Commission. The increase in utilities operating costs and expenses for the three and six months ended June 30, 2018 as compared to the three and six months ended June 30, 2017 was primarily due to higher deferred maintenance expenditures.

We did not incur any significant capital or improvement expenditures related to our Utilities segment infrastructure in the first six months of 2018 or 2017.

RESORT AMENITIES AND OTHER

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2017	
	(in thousands)		(in thousands)	
<i>Operating revenues</i>	\$292	\$285	\$599	\$567
<i>Operating costs and expenses</i>	(231)	(213)	(584)	(546)
<i>Operating income</i>	\$61	\$72	\$15	\$21

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain of the amenities at the Kapalua Resort including a 30,000 square foot full-service spa and a private pool-side dining beach club. The Kapalua Club does not operate any resort amenities and the member dues collected are primarily used to pay contracted fees to provide access for its members to the spa, beach club and other resort amenities.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We had cash on hand of \$1.2 million and \$13.8 million of available credit under a \$15.0 million revolving line of credit facility with First Hawaiian Bank as of June 30, 2018.

We have a \$15.0 million revolving line of credit facility with First Hawaiian Bank (Credit Facility). The Credit Facility matures on December 31, 2019 and provides for two optional one-year extension periods. Interest on borrowings is at LIBOR plus 3.50% (5.48% at June 30, 2018). We have pledged our 800-acre Kapalua Mauka project and approximately 30,000 square feet of commercial leased space in the Kapalua Resort as security for the Credit Facility. Net proceeds from the sale of any collateral are required to be repaid toward outstanding borrowings and will permanently reduce the Credit Facility's revolving commitment amount. There are no commitment fees on the unused portion of the Credit Facility.

The terms of the Credit Facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include a minimum liquidity (as defined) of \$1.5 million, a maximum of \$45.0 million in total liabilities, and a limitation on new indebtedness.

As of June 30, 2018, we were in compliance with the covenants under the Credit Facility.

Cash Flows

During the first six months of 2018, net cash flow provided by our operating activities totaled \$0.8 million. Net cash provided by our operating activities for the first six months of 2017 was \$7.6 million.

Interest payments on our long-term debt totaled \$67,000 for the six months ended June 30, 2018.

Table of Contents

We were not required to make any minimum funding contributions to our defined benefit pension plans during the six months ended June 30, 2018.

Future Cash Inflows and Outflows

Our business initiatives for the next year include investing in our operating infrastructure and continued planning and entitlement efforts on our development projects. At times, this may require borrowing under our Credit Facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes.

Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds.

FORWARD-LOOKING STATEMENTS AND RISKS

This and other reports filed by us with the Securities and Exchange Commission, or SEC, contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They contain words such as “may,” “will,” “project,” “might,” “expect,” “believe,” “anticipate,” “intend,” “could,” “would,” “estimate,” “continue” or “pursue,” or the negative or other variations thereof or comparable terminology. Actual results could differ materially from those projected in forward-looking statements as a result of the following factors, among others:

- unstable macroeconomic market conditions, including, but not limited to, energy costs, credit markets, interest rates and changes in income and asset values;

- risks associated with real estate investments generally, and more specifically, demand for real estate and tourism in Hawaii;

- risks due to joint venture relationships;

our ability to complete land development projects within forecasted time and budget expectations, if at all;

our ability to obtain required land use entitlements at reasonable costs, if at all;

our ability to compete with other developers of real estate in Maui;

potential liabilities and obligations under various federal, state and local environmental regulations with respect to the presence of hazardous or toxic substances;

changes in weather conditions or the occurrence of natural disasters;

our ability to maintain the listing of our common stock on the New York Stock Exchange;

our ability to comply with funding requirements of our defined benefit pension plans;

our ability to comply with the terms of our indebtedness, including the financial covenants set forth therein, and to extend maturity dates, or refinance such indebtedness, prior to its maturity date;

our ability to raise capital through the sale of certain real estate assets;

availability of capital on terms favorable to us, or at all; and

failure to maintain security of internal and customer electronic information.

Table of Contents

Such risks and uncertainties also include those risks and uncertainties discussed in the sections entitled “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2017 and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” in this Quarterly Report on Form 10-Q, as well as other factors described from time to time in our reports filed with the SEC. Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this report. Thus, you should not place undue reliance on any forward-looking statements. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Further, any forward-looking statements speak only as of the date made and, except as required by law, we undertake no obligation to publicly revise our forward-looking statements to reflect events or circumstances that arise after the date of this report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have no material exposure to changes in interest rates related to our borrowing and investing activities used to maintain liquidity and to fund business operations. We have no material exposure to foreign currency risks.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the fiscal quarter covered by this report. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms.

Changes in Internal Controls Over Financial Reporting

We have reviewed and updated our internal controls and related procedures related to our change in filing status from a smaller reporting company to an accelerated filer in January 2018. Except as otherwise noted, there has been no significant changes in our internal controls over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f)) during the six months ended June 30, 2018.

PART II OTHER INFORMATION

Item 1A. RISK FACTORS

Potential risks and uncertainties include, among other things, those factors discussed in the sections entitled “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2017 and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report on Form 10-Q. Readers should carefully review those risks and the risks and uncertainties disclosed in other documents we file from time to time with the SEC. We undertake no obligation to publicly release the results of any revisions to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

Table of Contents

Item 6. EXHIBITS

- 31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934.
- 31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934.
- 32.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.
- 32.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350.
- 101.INS XBRL Instance Document
- 101.SCHXBRL Taxonomy Extension Schema Document
- 101.CALXBRL Taxonomy Extension Calculation Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase
- 101.LABXBRL Taxonomy Extension Labels Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Link Document

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAUI LAND & PINEAPPLE COMPANY, INC.

August 9, 2018 /s/ TIM T. ESAKI

Date Tim T. Esaki
Chief Financial Officer
(Principal Financial Officer)

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934. (1)
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(d) / 15d-14(a) of the Securities Exchange Act of 1934. (1)
32.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350. (2)
32.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(b) / 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350. (2)
101.INS	XBRL Instance Document (2)
101.SCH	XBRL Taxonomy Extension Schema Document (2)
101.CAL	XBRL Taxonomy Extension Calculation Document (2)
101.DEF	XBRL Taxonomy Extension Definition Linkbase (2)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (2)
101.PRE	XBRL Taxonomy Extension Presentation Link Document (2)

(1)Filed herewith.

(2)Furnished herewith and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.